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Provinsiale Tesourie

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PROVINCIAL TREASURY CIRCULAR NO. 59 OF 2015

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR N SEANEGO)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR L MOKOENA)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV H MBATHA)
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)
THE MUNICIPAL MANAGER: THEMbisILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY
(MR MJ MAHLANGU)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS M SKOSANA)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR VN MPILA)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR VD NGCOBO)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY
(MR PB MALEBYE)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR L TSHABALALA)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MJS MABUZA)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR TS SHONGWE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABLE)

THE ACTING DIRECTOR GENERAL: MPUMALANGA PROVINCIAL GOVERNMENT:
(MR T MNDAKANE)
THE HEAD OF DEPARTMENT: DEPARTMENT OF COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS :(MR CM CHUNDA)
THE CHIEF EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION:
(MS GA LANGA)
THE ACTING GENERAL MANAGER: SUSTAINABLE RESOURCE MANAGEMENT: (MR MN
MADIKE)
THE GENERAL MANAGER: FINANCIAL GOVERNANCE:
(MS J BEZUIDENHOUT)
THE ACTING GENERAL MANAGER: ASSETS AND LIABILITIES MANAGEMENT: (MS E VISSER)
THE HOD ELECTRICITY PRICING AND TARIFFS: NATIONAL ENERGY REGULATION OF SOUTH
AFRICA (MR BRIAN SCHOTLO)
THE EXECUTIVE MANAGER: ELECTRICITY REGULATIONS: NATIONAL ENERGY REGULATION
OF SOUTH AFRICA (MR MBULELO NCETEZO)

2015/16 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT VISIT

Section 72(1)(a) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) requires the accounting officer to assess the municipality's performance for the first six months of the financial year by 25 January of each year. This assessment should directly inform the preparation of the municipality's adjustments budget in terms of Section 28 of the MFMA. The outcome of the assessment must be submitted via a report, in the format prescribed as per the Municipal Budget and Reporting Regulations, to the Mayor of the municipality, the National Treasury and the relevant Provincial Treasury.

To give effect to the constitutional monitoring and oversight responsibilities of National Treasury, a process to comprehensively assess the mid-year performance of municipalities was institutionalised by the National Treasury seven years ago. This process, referred to as the "Mid-year Budget and Performance Assessment Visit" is one of two annual strategic engagements undertaken by National Treasury to strengthen the quality and oversight of municipal budgeting and performance.

Various sector departments, Department of Co-Operative Governance and Traditional Affairs, SALGA, NERSA and Office of the Premier will also be invited to participate in these engagements. While the purpose is primarily to review the municipality's mid-year performance, the following issues also constitute key focus areas of the engagement:

- Auditor-General's reports for 2012/13, 2013/14 and 2014/15, to be used as sources of information to determine the key achievements and challenges during this period;
- The actual mid-year results for the 2015/16 financial year, financial and non-financial, as measured against priorities in the Integrated Development Plan (IDP) and the targets set in the Service Delivery and Budget Implementation Plan (SDBIP);
- Infrastructure delivery achievements against the Infrastructure Plan of the municipality;
- Performance and spending of all national and provincial conditional grants and progress made in achieving the grant conditions;
- The preparation of the 2015/16 adjustments budget and inputs thereto; and
- The 2015/16 budget schedule and progress made in achieving the milestones and timelines specified in the schedule in the compilation of the 2015/16 MTREF.

As per the attached agenda (Annexure A), the engagement will take place for a day focussing on the municipality's budget and performance. Please note that the agenda is structured to facilitate comprehensive discussions and ensure the standardisation of presentations across all the 20 delegated municipalities. Hence, no changes to the structure of the agenda will be accommodated. The discussions for the day have been divided into four sessions as follow:

- Session 1: Review of performance for the 2013/14 and 2014/15 financial year (including the high-level performance of the municipality and each department/vote);
- Session 2: Review of the in-year performance of the municipality against the 2015/16 budget;
- Session 3: Financial management issues; and
- Session 4: Risk management.

A template to guide municipalities with the preparation of the presentations on day one of the engagement has been attached as Annexures B.

Kindly forward all the presentations for your municipality to Provincial Treasury at least one week prior to the assessment visit to ensure that the information is disseminated timeously to all participants.

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As the assessment is a municipal-wide responsibility, it is expected that the Municipal Manager, CFO and the municipality's relevant Heads of Department and other Section 57 Managers will avail themselves to participate.

The municipality may invite at its discretion the MMC for Finance or the Finance Committee Chairperson; however, this is not mandatory.

Based on previous experience, while day one of the engagement is well represented by senior management of the municipality, in many instances the proceedings for day two are delegated to lower level officials. This has proven to be limiting as lower level staff are not always in a position to provide clarity and adequately respond to questions.

Below is the schedule of dates to be confirmed by the municipality:

MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE
Ehlanzeni District Municipalities			
Bushbuckridge LM	25 January 2016	10:00	Bushbuckridge Council Chamber
Thaba Chweu LM	26 January 2016	10:00	Thaba Chweu Council Chamber
Umjindi LM	27 January 2016	09:00	Umjindi Council Chamber
Ehlanzeni District	28 January 2016	09:00	Ehlanzeni District Council Chamber
Nkomazi LM	29 January 2016	10:00	Nkomazi Council Chamber
Nkangala District Municipalities			
Dr JS Moroka LM	25 January 2016	10:00	Dr JS Moroka Council Chamber
Victor Khanye LM	26 January 2016	10:00	Victor Khanye Council Chamber
Emakhazeni LM	27 January 2016	10:00	Emakhazeni Council Chamber
Nkangala District	28 January 2016	10:00	Nkangala District Council Chamber
Emalahleni LM	29 January 2016	10:00	Emalahleni Council Chamber
Steve Tshwete LM	01 February 2016	10:00	Steve Tshwete Council Chamber

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MUNICIPALITY	DATE	TIME	SUGGESTED VENUE
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	25 January 2016	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	26 January 2016	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	27 January 2016	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Gert Sibande District	28 January 2016	10:00	District Council Chamber
Mkhondo LM	29 January 2016	10:00	Mkhondo Council Chamber
Dipaleseng LM	01 February 2016	10:00	Dipaleseng Council Chamber
Lekwa LM	02 February 2016	10:00	Lekwa Council Chamber
Govan Mbeki LM	03 February 2016	10:00	Govan Mbeki Council Chamber

Should you have any queries please contact Mr Nimrod Hlabane, from Provincial Treasury on (013) 766 8713 or cell: 082 566 6523.

Your co-operation is always appreciated.

Kind regards,



MS NZ NKAMBA
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 22/12/2015